

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

IN THE COURT OF COMMON PLEAS
FIFTH JUDICIAL CIRCUIT

Scott H. Richardson, as Director of the
South Carolina Department of Insurance,

Petitioner,

vs.

Capital Assurance Risk Retention Group,
Inc.,

Respondent

Civil Action Number 07-CP-40-6972

EX PARTE ORDER
GRANTING TEMPORARY SEIZURE
AND INJUNCTION

BARBARA A. SCOTT
C.S. G.S.

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FILED

This matter comes before me on the Verified Petition for Temporary Order of Seizure filed by the Petitioner with respect to Capital Assurance Risk Retention Group, Inc. (CARRG), a South Carolina domestic captive insurance company formed as a Risk Retention Group. Upon reading and considering the petition and its supporting exhibits *ex parte*, as provided for in S.C. Code Ann. § 38-27-220 (b) (2002), it appears that jurisdiction and venue are properly vested in this Court. Moreover, it appears that the relief requested is reasonable and proper in accordance with the laws of South Carolina and should be granted.

IT IS THEREFORE ORDERED:

1. Petitioner is hereby appointed with all of the powers provided in S.C. Code Ann. § 38-27-220 (2002) to seize the assets and property of Capital Assurance Risk Retention Group, Inc. (CARRG) and, as such, is hereby directed to take possession of all of the assets of CARRG wherever located, specifically including, but not limited to, all bank accounts, documents, and other property and records of CARRG, wherever located.

2. Any financial institution with which CARRG may maintain its assets is hereby ordered to surrender those assets to the Petitioner or his designee and treat the Petitioner or his designee as the new managers and officers of CARRG.

3. CARRG its officers, directors, managers, agents, stockholders, employees, and all other persons are hereby enjoined and restrained from the transaction of any of its business, including, but not limited to, the issuance of new certificates of coverage or the waste or disposition of any of CARRG's assets or property, except as instructed in writing by this Court, the South Carolina Director of Insurance, the Petitioner, or his designee.

4. All persons are hereby enjoined and restrained from the commencement or prosecution of any actions or proceedings against Capital Assurance Risk Retention Group, Inc. or the obtaining of any preferences, judgments, attachments, or other liens against CARRG, or the making of any levy or claim against CARRG, its assets, the Petitioner, his designee(s), the South Carolina Director of Insurance, or the South Carolina Department of Insurance, except as instructed by order of this Court, the South Carolina Director of Insurance, the Petitioner, or his designee, for a period of 90 days from the date of this Order, by which time the Petitioner or his designee may request and this Court may grant an extension of this injunction and restraining order, if appropriate.

5. All officers, directors, agents, and employees of CARRG must deliver to the Petitioner or his designee all assets, books, records, equipment, and other property of CARRG immediately upon receipt of a copy of this order.

6. The Petitioner or his designee is hereby authorized to initiate such equitable and legal actions or proceedings in South Carolina, or in other states, as may appear to him to be necessary or appropriate to carry out his functions under this Order.

7. All insurance agents and brokers are hereby ordered to account to the Petitioner or his designee for all funds of CARRG held by them in their fiduciary capacity or due to CARRG, and it is ordered that these funds be directed and forwarded by such insurance agents and brokers to the Petitioner or his designee.

8. The Petitioner or his designee is hereby relieved from giving any bond and shall be allowed his expenses related to this action, including such clerical or other help which may be necessary, and including, without limitation, expert and attorney fees from CARRG funds.

This Order is effective immediately upon the signature of the Court. All papers involved herein shall be sealed and shall remain confidential as provided in S.C. Code Ann. § 38-27-230 (2002), except as is necessary to obtain compliance with the Court's order. CARRG is hereby placed on notice of its right under S.C. Code Ann. § 38-27-220(e) (2002) to petition this Court at any time after the issuance of this order for a hearing and review of this order.

AND IT IS SO ORDERED at Columbia, South Carolina, this 19th day of October 2007, to expire January 18th, 2008.



The Hon. Alison R. Lee
Chief Administrative Judge
Fifth Judicial Circuit